

FACTORS CONSIDERED DURING THE 2004-2005 REBASING OF FEE-FOR-SERVICE (FFS) RATES

Introduction

In the fall of 2004 the Arizona Health Care Cost Containment System (AHCCCS) contracted with EP&P Consulting, Inc. (EP&P) to assist in the development and maintenance (rebasings) of their fee-for-service (FFS) home- and community-based service (HCBS) rates.

During the previous 2001 ratesetting process, EP&P assisted AHCCCS as it designed and implemented a new ratesetting process for calculating FFS HCBS rates. This new ratesetting process developed rates based on “Independent Models”. Under this new methodology, the Independent Models were designed to build rates based on what the program was purchasing in terms of:

- ❑ Hourly and annual wages (Bureau of Labor Statistics data)
- ❑ Employee Related Expenses (ERE)
- ❑ Direct care time factor assumptions (total hours, travel time, notes/records time, and average “on-site” time)
- ❑ Average mileage
- ❑ Administrative overhead

The Independent Model approach was selected in part because it provided a structure for evaluating the adequacy of the rates over time. In addition to assessing the *overall* level of the rates, the Independent Models allowed AHCCCS to evaluate the adequacy of the individual assumptions and components used to set the rates. For example, the level of wages or benefits built into the rates could be specifically identified and examined.

In the intervening years since 2001 when the Independent Models were first created and the results implemented, AHCCCS has periodically inflated the FFS HCBS rates using inflation factors. The rebasing activities undertaken beginning in late 2004 and continuing into the first part of calendar year 2005 focused on collecting information from Arizona HCBS providers as well as independent sources (e.g., wages from the Bureau of Labor Statistics). This information was used to evaluate and rebase the individual components of the rates within the Independent Models. Since this rebasing effort was designed to update the components of the Independent Models, a provider survey requesting information pertaining to wages, benefits, travel time, mileage and supervision was developed. In addition, the survey asked open-ended questions about the Arizona Long Term Care System (ALTCSS) program in order to gather input from the providers about considerations for the rebasing process. Included in the surveyed providers were Home Health Agencies, which must be certified by Medicare. These providers contributed information pertaining to home health nursing and home health aide services. These home health agency services, and therefore the agencies’ cost structures, are representative of the post-

hospitalization home- and community-based services covered by Medicare as well as often purchased by the private sector.

In addition to the provider survey, the rebasing process included consideration of wages from the Bureau of Labor Statistics (BLS). Wages from both the 1999 and 2003 BLS wage surveys were reviewed. In the majority of cases, the recommended rates were based on the highest wage data available, either from BLS or from wage information obtained from the provider survey. Assumptions within the rate models for employee related expenses, direct care time factors and administrative overhead were compared to information obtained via the provider survey.

Other background and comparative information considered during the FFS rate rebasing included the rates paid by other agencies in Arizona as well as other states for similar services and the rates paid by Program Contractors (PCs). The intrastate and PC information was provided by AHCCCS. The PC rates were used as indicators of private sector market rates. The PC rates were considered private sector market rates because within the capitation rate, the PCs individually contract and negotiate rates with service providers. In addition to the information mentioned above, issues such as intrinsic and extrinsic rewards, recruitment efforts, and career ladder opportunities that are related to direct care workers were researched for potential impact on the rate study.

The rate recommendations of EP&P were developed based on the information described above and reviewed in collaboration with AHCCCS. This information is described further below. A series of exhibits have been developed and are referred to throughout the document. These exhibits may be found at the conclusion of this document.

Information from Providers

In the fall of 2004, AHCCCS mailed the survey tool to a sample of Arizona HCBS providers. It should be noted that the FFS program is only a small portion of the AHCCCS HCBS program. The majority of payments for HCBS services are made through a capitated payment to PCs, who then contract with service providers. While the focus of EP&P's study was the FFS rates, information collected from providers included information relevant to services purchased through both the FFS and PC rates.

Survey Overview

The Provider Cost Survey was initially designed by EP&P and was subsequently reviewed by the project team at AHCCCS. The nine-page survey had seven schedules and included a certification page to be completed by Agency providers to verify that a representative from the financial office reviewed the survey before submission. The purpose of the survey was to gather feedback from ALTCS providers relevant to various components of the independent models used to set HCBS rates during the 2001 ratesetting process. In designing the survey, EP&P and AHCCCS staff discussed if any gaps in critical services needed to be specifically addressed

within the survey. Based on this discussion, the survey was designed to include open-ended questions to obtain feedback from providers on critical service gaps and other issues.

The sample of providers who were surveyed was selected by AHCCCS based on volume, type of services, type of provider and county. This resulted in 207 surveys being mailed to providers, accounting for approximately half of all ALTCS providers for HCBS services. These providers represented 95% of total ALTCS and FFS expenditures.

AHCCCS and EP&P representatives held three training sessions to provide guidance in survey completion. The first was in Camp Verde on November 4, 2004, the second in Tucson on November 8, 2004 and the last in Phoenix on November 9, 2004. In addition to these training sessions, phone calls were placed to those providers who had not returned a survey by the submission deadline if current phone numbers were available.

Returned Surveys

Of the 207 surveys mailed, 77 were returned. This was comprised of 62 surveys returned from agencies and 15 from individuals. The 77 providers returning a survey account for approximately 60% of total ALTCS and FFS expenditures.

All returned surveys were entered into a specifically designed Microsoft Access database and the surveys were also quality assured by a second team member. If questions arose during the quality assurance of returned survey data, providers were contacted to clarify any questions in order to improve the quality of the data. Of the 77 providers returning surveys, 65 providers were called to clarify their survey data. This resulted in 44 conversations with providers, 39 agencies and 5 individuals, and finalization of surveys in the database. After the discussion and database update, a letter was faxed (or sent via e-mail or mail if requested) to the provider and they were asked to sign to confirm the changes and return it.

The training sessions appeared to have a positive impact on the rate of return of the provider surveys. A total of 31 providers attended a training session (five providers attended multiple training sessions):

- ❑ Attended Training in Camp Verde: 12
- ❑ Attended Training in Tucson: 8
- ❑ Attended Training in Phoenix: 16

Of those providers that attended a training session, 20 providers, or 65%, returned a survey. Of the remaining 11 providers who attended a training session and did not return a survey, 10 were contacted to see if they had any additional questions and 1 returned a survey through a sister agency.

Of the 176 providers that did not attend a training session, 55 providers, or 31%, returned a survey, 42 agencies and 13 individuals. Two agency providers that were not in the original

sample also returned a survey. An attempt was made to contact providers who did not attend a training session and did not return a survey. Calls were placed to over 100 providers. An additional copy of the survey was e-mailed or faxed to 51 of these providers and 11 providers subsequently returned a survey. Of the providers called, a message that included EP&P's toll-free contact number was left for 43 of them. Calls were returned by 11 providers. For anyone who was not successfully contacted with the first call, a second call was made.

As mentioned above, the survey data received represents 60 percent of total ALTCS and FFS expenditures. In addition,

- ❑ All Arizona counties were represented by at least one survey respondent. The largest response came from those providers who provide services in Maricopa County; 31 of the 108 total responses to the survey question (28.7%) stated that they provide services within Maricopa County. Pima County also had a high response with 13 total responses (12.0%). The other county that is classified by AHCCCS as urban, Pinal County, had a total of 5 responses (4.6%). Of the rural counties, Yavapai had the highest response at 10 responses (9.3%). However, six other rural counties had a response of between 4% and 7% of the total.
- ❑ Over 63 percent of the total responses were divided amongst four of the service categories: Attendant Care/Family Attendant Care (17.6%), Personal Care (17.6%), Homemaker (15.7%) and Respite Care Short-Term (12.3%).

(It is important to note that a response as referred to here is actually a provider for a specific service in a particular county. For example, if an agency provides Attendant Care and Personal Care in two counties, they would have four responses.)

Information Gathered Through the Survey Process

The survey requested information regarding the following factors based on an eight-hour day:

- ❑ Travel time between clients, excluding travel to the first client and from the last client
- ❑ Mileage with the same exclusions as travel time
- ❑ Time for medical notes and records
- ❑ Overall direct care hours

In addition, questions regarding benefits and employee related expenses (ERE) were included on the survey. The survey was designed to obtain information specific to the following benefits: vacation days, sick days, personal days and individual and family health insurance coverage (including the percentage of the health insurance premium paid by the employer). The cost of benefits, as a percentage of wages, was also requested on the survey. However, many providers were unable to provide this information or could only provide an estimate. Therefore, the percentage attributed to ERE was set at 30% of wages, which includes standard amounts for

FICA/Medicare, Workers Compensation and FUTA/SUTA as well as allowances for health and disability coverage, retirement, vacation time, paid time off and holidays.

In response to the open-ended questions included in the survey, agency providers cited community support, case managers and in-home care as their top praises for the program. Another factor mentioned was the timeliness of payment. Many agencies reported that one benefit of a rate increase would be to target additional dollars toward increases in worker benefits. In addition, transportation costs, the cost of training and the cost of completing background checks for new employees were noted as areas of concern. Case management was mentioned by some providers as one of the biggest strengths of the program while some providers felt this was an area for improvement.

Wage-specific Information

Wages are a large portion of HCBS costs and rates. While AHCCCS provides some of their ALTCS HCBS program through a fee-for-service system where providers bill them directly, as mentioned above the majority of services are provided through PCs who receive a capitated monthly payment for each enrollee. Under the managed care system, PCs contract with providers to provide the service. Thus, in order to examine the wages being received by these types of workers, one must ask the agencies and independent providers directly, which was exactly what EP&P and AHCCCS did in the fall of 2004 with the ALTCS provider survey. It should be noted that providers were asked to give at least one quarter of information and to report the date of the information provided on the survey. Since the reported information spanned differing periods of time, the reported wages were standardized to December 2004 using Global Insight inflation factors for the purposes of comparison.

This information was then compared with wage information from BLS. Exhibit 1 compares wages as reported on the survey to those from the Bureau of Labor Statistics (BLS) for National and Arizona-specific wages from both 1999 and 2003. The 1999 wage data was used in 2001 to set the rates for AHCCCS and the 2003 wage data was the most recent wage data available and was used during the ratesetting project that was completed in 2005. All of the wage data is standardized to December 2004 using Global Insight inflation factors.

The mean survey wages are higher than all Arizona-specific BLS wages except for 1999 Personal and Home Care Aides wages. However, BLS wages are 92% or more of mean survey wages in most cases except for LPN nursing. For this wage category, survey wages are reported to be \$4 to \$5 higher on average than BLS for Arizona (BLS wages are approximately 78% of mean survey wages). However, the median LPN wage as reported (\$17.06) is lower than the Arizona wage (\$17.77 in 1999 and \$17.49 in 2003).

When compared to National wage data from BLS, the aide categories (Home Health and Personal and Home Care Aides) fall between the two BLS time periods. For RNs, mean survey wages exceed both National wages though inflated 1999 BLS wages are only \$0.30 shy of mean

RN wages from the survey. Except for Personal and Home Care Aides in Arizona, 1999 BLS information exceeds 2003. This can be explained by wages increasing more slowly than inflation. Hence the wages that are inflated over a longer period of time become higher than those that are based on more recent data.

Exhibits 2 through 6 show the wage data collected via the ALTCS provider survey. The procedure description and procedure code are shown in the leftmost columns (A) and (B). Each type of service is listed. The italicized rows show wages reported by individual providers with all others being reported by agency providers. The wages shown reflect the minimum, maximum, mean (average) and median (middle value) wages and the number of responses. Wages are shown for three groups. Starting wages for direct care workers are shown in columns (C) through (G), average overall wages for all direct care workers are shown in columns (H) through (L) and average overall wages for supervisory staff are shown in columns (M) through (Q), on the second page of each exhibit.

The following lists the wage exhibits.

- ❑ Exhibit 2: AHCCCS Provider Survey Wage Results for All Counties
- ❑ Exhibit 3: AHCCCS Provider Survey Wage Results for Maricopa County
- ❑ Exhibit 4: AHCCCS Provider Survey Wage Results for Pima County
- ❑ Exhibit 5: AHCCCS Provider Survey Wage Results for Pinal County
- ❑ Exhibit 6: AHCCCS Provider Survey Wage Results for All Rural Counties

Comparative Program Contractor Information

For overall rate comparison, the rebasing process included a review of rates paid by PCs for services. In general, rates reported by PCs are higher than the current FFS rates. The rates for six PCs are shown in Exhibit 7. Expenditures information from seven PCs that represent just under 87 percent of total ALTCS and FFS AHCCCS HCBS expenditures was examined and a weighted average by expenditures calculated for the purpose of comparison. A summary of some points raised in the exhibits is listed below.

- ❑ Attendant Care Services have a weighted average of PC rates that is 3% higher than the current FFS rate.
- ❑ Personal Care Services have a weighted average of PC rates that is 35% higher than the current FFS rate.

- ❑ Homemaker Services have a weighted average of PC rates that is nearly 17% higher than the current FFS rate.
- ❑ Home Health Aide Services have a weighted average of PC rates that is 17% higher than the current FFS rate.
- ❑ Continuous LPN Nursing Services have a weighted average of PC rates that is 6% higher than the current FFS rate. These figures compare procedure code S9124TG with provider types 2 and 23 to the reported rates. The rates were reported under the former code with the description RN & LPN Intermittent Continuous Care (Cert HHA). It should be noted that the former code was an LPN and RN code and the new code is for LPNs only.
- ❑ Intermittent RN Nursing Services have a weighted average of PC rates that is 25% higher than the current FFS rate. These figures compare procedure code S9123 with provider types 2 and 23 to the reported rates. The rates were reported under the former code with the description RN & LPN Intermittent Visit (Cert HHA).
- ❑ Adult Day Health Services have weighted average of PC rates that are approximately 12% higher than the current FFS rate.
- ❑ Home Delivered Meals have a weighted average of PC rates that is 3% lower than the current FFS rate.

Only Home Delivered Meals saw PCs paying less on average than the FFS rates offered by the state.

Summary

Based on the information above, all of the current FFS rates were increased for an effective date of October 1, 2005 (Contract Year 2006). In the majority of cases, the rate models were modified to reflect the highest wage data available, either from BLS or obtained from the provider survey. This increase in wages indirectly increased all other components of the rates, except for transportation. The transportation rate was also updated during this rebasing. The rate was increased from \$0.32 per mile to \$.405 per mile to reflect the federal mileage payment amount. Three examples of these models are included as Exhibits 8 through 10. There was also a set of rates that were increased by inflation alone after examination of the data during the rebasing process. Exhibit 11 shows the FFS rates for the 2005 contract year, the rates recommended by EP&P for contract year 2006 as well as the percentage increase in those rates between the two years. The overall weighted percentage increase in the FFS rates is 7.0%. This is largely reflective of the 7.5% increase in the FFS rate for Attendant Care Services. In consideration of the FFS rate increases, PC capitation rates are also being adjusted.

Exhibit 1
Comparison of BLS Wages with Surveyed Wage Data

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
		Arizona		Survey		National	
Occupation	BLS Occupation Code	4th Quarter 1999 Mean BLS Wages Inflated to December 2004 ¹	November 2003 Mean BLS Wages Inflated to December 2004 ²	Mean Hourly Wage for Direct Care Staff from Survey Inflated to December 2004 ³	Median Hourly Wage for Direct Care Staff from Survey Inflated to December 2004 ³	4th Quarter 1999 Mean BLS Wages Inflated to December 2004 ¹	November 2003 Mean BLS Wages Inflated to December 2004 ²
Nursing Aides	31-1012	\$ 10.54	\$ 10.29			\$ 10.68	\$ 10.56
Home Health Aides	31-1011	\$ 10.09	\$ 9.11	\$ 10.87	\$ 9.81	\$ 11.24	\$ 9.34
Personal and Home Care Aides	39-9021	\$ 9.52	\$ 9.63	\$ 9.57	\$ 9.30	\$ 9.60	\$ 8.55
Registered Nurses	29-1111	\$ 25.90	\$ 25.58	\$ 26.87	\$ 25.88	\$ 26.57	\$ 26.11
Licensed Practical Nurses	29-2061	\$ 17.77	\$ 17.49	\$ 22.46	\$ 17.06	\$ 17.34	\$ 16.77
Cashiers	41-2011	\$ 9.84	\$ 9.10			\$ 9.14	\$ 8.44
Child Care Workers	39-9011	\$ 8.60	\$ 8.09			\$ 9.22	\$ 8.71
Cooks, Fast Food	35-2011	\$ 7.94	\$ 7.75			\$ 8.13	\$ 7.49
Counter and Rental Clerks	41-2021	\$ 10.69	\$ 11.14			\$ 9.97	\$ 10.40
Counter Attendants, Food	35-3022	\$ 7.64	\$ 7.64			\$ 8.49	\$ 8.01
Dining Room Attendants	35-9011	\$ 7.78	\$ 6.92			\$ 8.33	\$ 7.62
File Clerks	43-4071	\$ 9.73	\$ 10.31			\$ 11.11	\$ 10.80
Food Preparation Workers	35-2021	\$ 8.25	\$ 8.82			\$ 9.41	\$ 8.67
Janitors	37-2011	\$ 9.64	\$ 9.40			\$ 10.89	\$ 10.13
Maids and Housekeepers	37-2012	\$ 8.28	\$ 7.74			\$ 9.27	\$ 8.77
Retail Salespersons	41-2031	\$ 12.69	\$ 11.60			\$ 11.48	\$ 11.15
Service Station Attendants	53-6031	\$ 9.32	\$ 8.96			\$ 9.42	\$ 9.11
Stock Clerks and Order Fillers	43-5081	\$ 11.72	\$ 10.71			\$ 11.75	\$ 10.74

¹ Arizona BLS Wages are inflated from March 2002 to December 2004 using Global Insight Third Quarter 2004 CMS Home Health Agency

Market Basket Table 6.5 CY - Wages and Salaries Only

² Arizona BLS Wages are inflated from November 2003 to December 2004 using Global Insight Third Quarter 2004 CMS Home Health Agency

Market Basket Table 6.5 CY - Wages and Salaries Only

³ Wages as reported by providers on Provider Cost Survey administered by EP&P in Fall 2004.

The Registered Nurse wages are from S9123 Intermittent Nursing, LPN wages are from S9124 Intermittent Nursing

and Personal and Home Care Aide wages are from T1019 Personal Care Services Agency rate.

Inflated from midpoint of the reporting period using Global Insight Third Quarter 2004 CMS Home Health Agency

Market Basket Table 6.5 CY - Wages and Salaries Only

Note: The wages used during the rebasing process were inflated to March 2006, the midpoint of the 2006 contract year.

Exhibit 2
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - All Counties

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
		Average Starting Wage for Direct Care Staff					Average Overall Wage for Direct Care Staff				
Procedure Description	Procedure Code	Minimum	#REF!	Mean	Median	Number of Responses	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 7.50	\$ 12.98	\$ 10.20	\$ 11.04	13	\$ 8.32	\$ 14.47	\$ 12.00	\$ 12.82	14
Day Care Services, Adult - Individual Wage	S5100						\$ 9.40	\$ 9.40	\$ 9.40	\$ 9.40	1
Day Care Services, Adult ²	S5101										
Day Care Services, Adult ²	S5102										
Attendant Care	S5125	\$ 6.56	\$ 11.04	\$ 8.48	\$ 8.52	27	\$ 7.06	\$ 10.94	\$ 8.95	\$ 8.89	24
Attendant Care - Individual Wage	S5125	\$ 9.00	\$ 9.10	\$ 9.05	\$ 9.05	2	\$ 9.00	\$ 11.08	\$ 9.81	\$ 9.40	7
Homemaker Services, NOS	S5130	\$ 6.81	\$ 12.00	\$ 8.65	\$ 8.44	28	\$ 7.76	\$ 12.00	\$ 9.29	\$ 9.14	27
Unskilled Respite Care, not Hospice	S5150	\$ 6.31	\$ 12.00	\$ 8.52	\$ 8.40	24	\$ 6.56	\$ 12.00	\$ 9.14	\$ 9.08	23
Unskilled Respite Care, not Hospice	S5151	\$ 5.25	\$ 10.16	\$ 8.20	\$ 8.53	9	\$ 5.36	\$ 12.70	\$ 8.89	\$ 8.93	8
Home Delivered Meals	S5170	\$ 6.05	\$ 8.75	\$ 7.28	\$ 7.06	8	\$ 6.38	\$ 9.91	\$ 8.26	\$ 8.12	9
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 12.08	\$ 40.72	\$ 23.25	\$ 22.57	13	\$ 12.08	\$ 48.05	\$ 26.87	\$ 25.88	12
Nursing Care in the Home; RN (Intermittent) - Individual Wage	S9123						\$ 59.04	\$ 59.04	\$ 59.04	\$ 59.04	1
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 22.09	\$ 25.23	\$ 23.67	\$ 23.68	4	\$ 22.20	\$ 25.23	\$ 24.19	\$ 25.16	3
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 14.22	\$ 29.52	\$ 19.23	\$ 16.57	6	\$ 16.14	\$ 34.87	\$ 22.46	\$ 17.06	5
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 19.17	\$ 23.11	\$ 20.95	\$ 20.58	3	\$ 19.17	\$ 23.11	\$ 21.14	\$ 21.14	2
Personal Care Services	T1019	\$ 6.81	\$ 12.00	\$ 8.97	\$ 9.16	32	\$ 7.76	\$ 12.02	\$ 9.57	\$ 9.30	30
Personal Care Services - Individual Wage	T1019						\$ 5.19	\$ 9.08	\$ 7.14	\$ 7.14	2
Home Health Aide	T1021	\$ 7.29	\$ 17.31	\$ 10.03	\$ 9.49	11	\$ 8.00	\$ 20.36	\$ 10.87	\$ 9.81	10

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 2
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - All Counties

Column A	Column B	Column M	Column N	Column O	Column P	Column Q
		Average Overall Wage for Supervisory Staff				
Procedure Description	Procedure Code	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 8.58	\$ 27.66	\$ 17.08	\$ 16.42	14
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>					
Day Care Services, Adult ²	S5101					
Day Care Services, Adult ²	S5102					
Attendant Care	S5125	\$ 9.14	\$ 25.45	\$ 16.45	\$ 15.14	25
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>					
Homemaker Services, NOS	S5130	\$ 9.14	\$ 25.45	\$ 16.17	\$ 15.19	28
Unskilled Respite Care, not Hospice	S5150	\$ 9.14	\$ 25.45	\$ 15.81	\$ 14.13	23
Unskilled Respite Care, not Hospice	S5151	\$ 9.14	\$ 25.45	\$ 15.35	\$ 14.13	13
Home Delivered Meals	S5170	\$ 9.77	\$ 19.78	\$ 14.36	\$ 13.55	8
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 19.00	\$ 35.70	\$ 26.48	\$ 25.45	13
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>					
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 19.17	\$ 33.38	\$ 26.14	\$ 25.87	3
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 19.00	\$ 33.38	\$ 24.27	\$ 23.54	6
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 19.17	\$ 33.38	\$ 26.27	\$ 26.27	2
Personal Care Services	T1019	\$ 9.14	\$ 35.70	\$ 17.30	\$ 15.24	31
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>					
Home Health Aide	T1021	\$ 17.47	\$ 35.70	\$ 25.16	\$ 24.22	11

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 3
AHCCCS Provider Survey Wage Results Standardized to December 2004 ¹ - Maricopa County

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
		Average Starting Wage for Direct Care Staff					Average Overall Wage for Direct Care Staff				
Procedure Description	Procedure Code	Minimum	#REF!	Mean	Median	Number of Responses	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 7.50	\$ 12.98	\$ 10.59	\$ 11.04	11	\$ 9.00	\$ 14.47	\$ 12.60	\$ 12.91	11
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>										
Day Care Services, Adult ²	S5101										
Day Care Services, Adult ²	S5102										
Attendant Care	S5125	\$ 7.06	\$ 10.09	\$ 8.48	\$ 8.52	15	\$ 7.06	\$ 10.27	\$ 8.98	\$ 9.00	14
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>										
Homemaker Services, NOS	S5130	\$ 7.57	\$ 12.00	\$ 8.89	\$ 8.65	16	\$ 8.23	\$ 12.00	\$ 9.46	\$ 9.15	16
Unskilled Respite Care, not Hospice	S5150	\$ 6.31	\$ 12.00	\$ 8.54	\$ 8.40	16	\$ 6.56	\$ 12.00	\$ 9.02	\$ 9.04	15
Unskilled Respite Care, not Hospice	S5151	\$ 5.25	\$ 10.16	\$ 8.37	\$ 8.56	8	\$ 5.36	\$ 12.70	\$ 9.04	\$ 9.04	7
Home Delivered Meals	S5170										
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 12.08	\$ 35.57	\$ 24.27	\$ 25.16	3	\$ 12.08	\$ 41.87	\$ 28.43	\$ 31.32	3
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>										
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 25.16	\$ 25.23	\$ 25.19	\$ 25.19	2	\$ 25.16	\$ 25.23	\$ 25.19	\$ 25.19	2
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 23.11	\$ 23.11	\$ 23.11	\$ 23.11	1	\$ 27.22	\$ 27.22	\$ 27.22	\$ 27.22	1
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 23.11	\$ 23.11	\$ 23.11	\$ 23.11	1	\$ 23.11	\$ 23.11	\$ 23.11	\$ 23.11	1
Personal Care Services	T1019	\$ 7.57	\$ 12.00	\$ 9.20	\$ 9.02	17	\$ 8.23	\$ 12.02	\$ 9.70	\$ 9.35	17
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>										
Home Health Aide	T1021	\$ 9.29	\$ 13.05	\$ 11.17	\$ 11.17	2	\$ 10.04	\$ 13.30	\$ 11.67	\$ 11.67	2

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 3
AHCCCS Provider Survey Wage Results Standardized to December 2004 ¹ - Maricopa County

Column A	Column B	Column M	Column N	Column O	Column P	Column Q
		Average Overall Wage for Supervisory Staff				
Procedure Description	Procedure Code	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 13.82	\$ 27.66	\$ 17.62	\$ 16.42	11
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>					
Day Care Services, Adult ²	S5101					
Day Care Services, Adult ²	S5102					
Attendant Care	S5125	\$ 9.14	\$ 25.45	\$ 14.91	\$ 14.10	14
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>					
Homemaker Services, NOS	S5130	\$ 9.14	\$ 25.45	\$ 14.89	\$ 14.10	16
Unskilled Respite Care, not Hospice	S5150	\$ 9.14	\$ 25.45	\$ 14.84	\$ 14.07	15
Unskilled Respite Care, not Hospice	S5151	\$ 9.14	\$ 25.45	\$ 15.36	\$ 14.13	12
Home Delivered Meals	S5170					
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 19.72	\$ 33.38	\$ 26.32	\$ 25.87	3
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>					
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 25.87	\$ 33.38	\$ 29.62	\$ 29.62	2
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 33.38	\$ 33.38	\$ 33.38	\$ 33.38	1
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 33.38	\$ 33.38	\$ 33.38	\$ 33.38	1
Personal Care Services	T1019	\$ 9.14	\$ 25.45	\$ 14.73	\$ 14.07	17
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>					
Home Health Aide	T1021	\$ 23.74	\$ 25.87	\$ 24.81	\$ 24.81	2

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 4
AHCCCS Provider Survey Wage Results Standardized to December 2004 ¹ - Pima County

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
		Average Starting Wage for Direct Care Staff					Average Overall Wage for Direct Care Staff				
Procedure Description	Procedure Code	Minimum	#REF!	Mean	Median	Number of Responses	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100						\$ 12.51	\$ 12.51	\$ 12.51	\$ 12.51	1
Day Care Services, Adult - Individual Wage	S5100										
Day Care Services, Adult ²	S5101										
Day Care Services, Adult ²	S5102										
Attendant Care	S5125	\$ 8.00	\$ 9.59	\$ 8.83	\$ 8.81	5	\$ 8.00	\$ 9.59	\$ 8.82	\$ 8.85	4
Attendant Care - Individual Wage	S5125						\$ 10.22	\$ 10.22	\$ 10.22	\$ 10.22	1
Homemaker Services, NOS	S5130	\$ 8.00	\$ 10.04	\$ 9.06	\$ 9.22	6	\$ 8.00	\$ 10.04	\$ 9.23	\$ 9.59	5
Unskilled Respite Care, not Hospice	S5150	\$ 8.32	\$ 10.04	\$ 9.32	\$ 9.59	3	\$ 8.83	\$ 10.04	\$ 9.48	\$ 9.59	3
Unskilled Respite Care, not Hospice	S5151	\$ 8.32	\$ 8.32	\$ 8.32	\$ 8.32	1	\$ 8.83	\$ 8.83	\$ 8.83	\$ 8.83	1
Home Delivered Meals	S5170	\$ 7.06	\$ 7.70	\$ 7.38	\$ 7.38	2	\$ 7.46	\$ 7.70	\$ 7.58	\$ 7.58	2
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 12.08	\$ 40.72	\$ 23.07	\$ 21.69	6	\$ 12.08	\$ 48.05	\$ 26.34	\$ 24.22	5
Nursing Care in the Home; RN (Intermittent) - Individual Wage	S9123										
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 22.09	\$ 22.20	\$ 22.14	\$ 22.14	2	\$ 22.20	\$ 22.20	\$ 22.20	\$ 22.20	1
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 15.41	\$ 29.52	\$ 19.52	\$ 16.57	4	\$ 16.14	\$ 34.87	\$ 22.67	\$ 17.00	3
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 19.17	\$ 20.58	\$ 19.88	\$ 19.88	2	\$ 19.17	\$ 19.17	\$ 19.17	\$ 19.17	1
Personal Care Services	T1019	\$ 8.00	\$ 10.04	\$ 9.20	\$ 9.41	7	\$ 8.00	\$ 10.04	\$ 9.23	\$ 9.59	5
Personal Care Services - Individual Wage	T1019						\$ 5.19	\$ 5.19	\$ 5.19	\$ 5.19	1
Home Health Aide	T1021	\$ 8.00	\$ 17.31	\$ 10.82	\$ 9.59	5	\$ 8.00	\$ 20.36	\$ 11.80	\$ 9.41	4

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 4
AHCCCS Provider Survey Wage Results Standardized to December 2004 ¹ - Pima County

Column A	Column B	Column M	Column N	Column O	Column P	Column Q
		Average Overall Wage for Supervisory Staff				
Procedure Description	Procedure Code	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 19.84	\$ 19.84	\$ 19.84	\$ 19.84	1
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>					
Day Care Services, Adult ²	S5101					
Day Care Services, Adult ²	S5102					
Attendant Care	S5125	\$ 12.61	\$ 22.31	\$ 18.11	\$ 19.00	5
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>					
Homemaker Services, NOS	S5130	\$ 12.61	\$ 19.17	\$ 16.86	\$ 17.29	6
Unskilled Respite Care, not Hospice	S5150	\$ 12.61	\$ 19.17	\$ 16.30	\$ 17.12	3
Unskilled Respite Care, not Hospice	S5151	\$ 12.61	\$ 12.61	\$ 12.61	\$ 12.61	1
Home Delivered Meals	S5170	\$ 9.77	\$ 13.09	\$ 11.43	\$ 11.43	2
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 19.00	\$ 33.96	\$ 24.05	\$ 22.58	6
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>					
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG	\$ 19.17	\$ 19.17	\$ 19.17	\$ 19.17	1
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 19.00	\$ 26.98	\$ 22.65	\$ 22.31	4
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG	\$ 19.17	\$ 19.17	\$ 19.17	\$ 19.17	1
Personal Care Services	T1019	\$ 12.61	\$ 19.17	\$ 16.86	\$ 17.29	6
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>					
Home Health Aide	T1021	\$ 17.47	\$ 28.83	\$ 21.98	\$ 19.17	5

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 5
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - Pinal County

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
		Average Starting Wage for Direct Care Staff					Average Overall Wage for Direct Care Staff				
Procedure Description	Procedure Code	Minimum		Mean	Median	Number of Responses	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100										
Day Care Services, Adult - Individual Wage	S5100										
Day Care Services, Adult ²	S5101										
Day Care Services, Adult ²	S5102										
Attendant Care	S5125	\$ 8.32	\$ 8.82	\$ 8.57	\$ 8.57	2	\$ 8.83	\$ 9.35	\$ 9.09	\$ 9.09	2
Attendant Care - Individual Wage	S5125						\$ 10.64	\$ 10.64	\$ 10.64	\$ 10.64	1
Homemaker Services, NOS	S5130	\$ 8.32	\$ 8.82	\$ 8.57	\$ 8.57	2	\$ 8.83	\$ 9.35	\$ 9.09	\$ 9.09	2
Unskilled Respite Care, not Hospice	S5150	\$ 8.32	\$ 8.82	\$ 8.57	\$ 8.57	2	\$ 8.83	\$ 9.35	\$ 9.09	\$ 9.09	2
Unskilled Respite Care, not Hospice	S5151	\$ 8.32	\$ 8.82	\$ 8.57	\$ 8.57	2	\$ 8.83	\$ 9.35	\$ 9.09	\$ 9.09	2
Home Delivered Meals	S5170	\$ 7.06	\$ 7.06	\$ 7.06	\$ 7.06	1	\$ 7.96	\$ 7.96	\$ 7.96	\$ 7.96	1
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 22.57	\$ 22.57	\$ 22.57	\$ 22.57	1	\$ 28.83	\$ 28.83	\$ 28.83	\$ 28.83	1
Nursing Care in the Home; RN (Intermittent) - Individual Wage	S9123										
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG										
Nursing Care in the Home; LPN (Intermittent)	S9124										
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG										
Personal Care Services	T1019	\$ 8.32	\$ 8.82	\$ 8.57	\$ 8.57	2	\$ 8.83	\$ 9.35	\$ 9.09	\$ 9.09	2
Personal Care Services - Individual Wage	T1019										
Home Health Aide	T1021	\$ 9.24	\$ 9.24	\$ 9.24	\$ 9.24	1	\$ 9.24	\$ 9.24	\$ 9.24	\$ 9.24	1

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 5
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - Pinal County

Column A	Column B	Column M	Column N	Column O	Column P	Column Q
		Average Overall Wage for Supervisory Staff				
Procedure Description	Procedure Code	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100					
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>					
Day Care Services, Adult ²	S5101					
Day Care Services, Adult ²	S5102					
Attendant Care	S5125	\$ 12.61	\$ 14.18	\$ 13.40	\$ 13.40	2
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>					
Homemaker Services, NOS	S5130	\$ 12.61	\$ 14.18	\$ 13.40	\$ 13.40	2
Unskilled Respite Care, not Hospice	S5150	\$ 12.61	\$ 14.18	\$ 13.40	\$ 13.40	2
Unskilled Respite Care, not Hospice	S5151	\$ 12.61	\$ 14.18	\$ 13.40	\$ 13.40	2
Home Delivered Meals	S5170	\$ 13.83	\$ 13.83	\$ 13.83	\$ 13.83	1
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 33.96	\$ 33.96	\$ 33.96	\$ 33.96	1
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>					
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG					
Nursing Care in the Home; LPN (Intermittent)	S9124					
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG					
Personal Care Services	T1019	\$ 12.61	\$ 14.18	\$ 13.40	\$ 13.40	2
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>					
Home Health Aide	T1021	\$ 28.83	\$ 28.83	\$ 28.83	\$ 28.83	1

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 6
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - All Rural Counties

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L
		Average Starting Wage for Direct Care Staff					Average Overall Wage for Direct Care Staff				
Procedure Description	Procedure Code	Minimum	#REF!	Mean	Median	Number of Responses	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 7.82	\$ 8.22	\$ 7.95	\$ 7.82	3	\$ 8.32	\$ 8.58	\$ 8.41	\$ 8.32	3
Day Care Services, Adult - Individual Wage	S5100						\$ 9.40	\$ 9.40	\$ 9.40	\$ 9.40	1
Day Care Services, Adult ²	S5101										
Day Care Services, Adult ²	S5102										
Attendant Care	S5125	\$ 6.56	\$ 11.04	\$ 8.11	\$ 8.32	29	\$ 7.36	\$ 10.94	\$ 8.76	\$ 8.83	27
Attendant Care - Individual Wage	S5125	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00	1	\$ 9.00	\$ 11.08	\$ 9.56	\$ 9.35	5
Homemaker Services, NOS	S5130	\$ 6.81	\$ 9.59	\$ 8.07	\$ 8.32	29	\$ 7.76	\$ 10.94	\$ 8.84	\$ 8.83	28
Unskilled Respite Care, not Hospice	S5150	\$ 6.81	\$ 9.26	\$ 7.99	\$ 8.32	25	\$ 7.88	\$ 10.94	\$ 8.87	\$ 8.83	25
Unskilled Respite Care, not Hospice	S5151	\$ 6.81	\$ 8.82	\$ 8.25	\$ 8.32	13	\$ 7.88	\$ 9.35	\$ 8.80	\$ 8.83	13
Home Delivered Meals	S5170	\$ 6.05	\$ 8.75	\$ 7.51	\$ 7.06	9	\$ 6.38	\$ 9.91	\$ 8.66	\$ 8.75	10
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 17.16	\$ 40.72	\$ 22.07	\$ 18.58	10	\$ 18.50	\$ 48.05	\$ 25.29	\$ 21.15	10
Nursing Care in the Home; RN (Intermittent) - Individual Wage	S9123						\$ 59.04	\$ 59.04	\$ 59.04	\$ 59.04	1
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG										
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 14.22	\$ 29.52	\$ 17.84	\$ 14.22	5	\$ 17.00	\$ 34.87	\$ 20.61	\$ 17.06	5
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG										
Personal Care Services	T1019	\$ 6.81	\$ 9.77	\$ 8.25	\$ 8.32	31	\$ 7.76	\$ 12.02	\$ 9.09	\$ 8.83	30
Personal Care Services - Individual Wage	T1019						\$ 9.08	\$ 9.08	\$ 9.08	\$ 9.08	1
Home Health Aide	T1021	\$ 7.29	\$ 17.31	\$ 9.33	\$ 8.74	10	\$ 8.00	\$ 20.36	\$ 10.52	\$ 8.75	9

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 6
AHCCCS Provider Survey Wage Results Standardized to December 2004¹ - All Rural Counties

Column A	Column B	Column M	Column N	Column O	Column P	Column Q
		Average Overall Wage for Supervisory Staff				
Procedure Description	Procedure Code	Minimum	Maximum	Mean	Median	Number of Responses
Day Care Services, Adult	S5100	\$ 8.58	\$ 16.82	\$ 11.33	\$ 8.58	3
<i>Day Care Services, Adult - Individual Wage</i>	<i>S5100</i>					
Day Care Services, Adult ²	S5101					
Day Care Services, Adult ²	S5102					
Attendant Care	S5125	\$ 10.01	\$ 23.25	\$ 15.37	\$ 12.61	27
<i>Attendant Care - Individual Wage</i>	<i>S5125</i>					
Homemaker Services, NOS	S5130	\$ 10.01	\$ 23.25	\$ 15.43	\$ 13.40	28
Unskilled Respite Care, not Hospice	S5150	\$ 10.01	\$ 23.25	\$ 14.95	\$ 12.61	24
Unskilled Respite Care, not Hospice	S5151	\$ 12.61	\$ 15.24	\$ 12.93	\$ 12.61	13
Home Delivered Meals	S5170	\$ 12.70	\$ 19.78	\$ 15.25	\$ 13.83	9
Nursing Care in the Home; RN (Intermittent)	S9123	\$ 19.00	\$ 35.70	\$ 26.41	\$ 23.86	10
<i>Nursing Care in the Home; RN (Intermittent) - Individual Wage</i>	<i>S9123</i>					
Nursing Care in the Home; RN (Continuous with TG Modifier)	S9123-TG					
Nursing Care in the Home; LPN (Intermittent)	S9124	\$ 19.00	\$ 25.45	\$ 21.86	\$ 21.62	5
Nursing Care in the Home; LPN (Continuous with TG Modifier)	S9124-TG					
Personal Care Services	T1019	\$ 10.01	\$ 35.70	\$ 17.57	\$ 15.24	30
<i>Personal Care Services - Individual Wage</i>	<i>T1019</i>					
Home Health Aide	T1021	\$ 17.47	\$ 35.70	\$ 25.81	\$ 22.92	10

¹ All figures exclude reported wages below the Federal minimum wage.

² Reported as Adult Day Health on survey, so S5101 and S5102 wage data are the same as S5100.

Exhibit 7
Arizona Program Contractor Rates provided by AHCCCS
Rates Effective 10/1/2004

ALTCS Provider Contractor Services	Units	Program Contractor 1	Program Contractor 2	Program Contractor 3	Program Contractor 4	Program Contractor 5	Program Contractor 6	Highest Rate	Lowest Rate
Home and Community Based Services									
Group Respite/Adult Day Health	per hour					8.59	8.50	8.59	8.50
Attendant Care	per hour ¹				16.60	14.71	13.25	16.60	13.25
Home Delivered Meals	per meal			7.79	7.64	7.82	6.44	7.82	6.44
Home Health Aide	per visit			32.81	51.62	34.39	43.27	51.62	32.81
Homemaker	per hour ¹		28.61	18.63	20.50	19.50	18.81	28.61	18.63
Habilitation Services	per day				180.20			180.20	180.20
Personal Care	per hour ¹		30.45	19.73	22.38	20.54	23.88	30.45	19.73
Respite Care in Home-Short Term	per hour ¹		29.32	14.43	14.31	14.71	16.71	29.32	14.31
RN & LPN Continuous Care (Cert HHA)	per visit	49.74	49.07	40.94		83.24		83.24	40.94
RN & LPN Intermittent Visit (Cert HHA)	per visit	83.50	115.34	80.25	107.79	83.24	101.35	115.34	80.25

¹ In the FFS rate analysis, the hourly rate was converted to a 15-minute billing rate for comparison.

Exhibit 8
Homemaker Services (S5130)
Rates for Dates of Service Beginning October 1, 2005

	Wage Information
Hourly Wage¹	\$ 10.11
Employment Related Expenses (ERE) as a Percent of Wages	30%
Hourly Compensation (wages + ERE) (10.11 x 1.30)	\$ 13.14
Factors Offsetting Direct Care Service Hours	
+ Total Work Day hours	8.00
- Less average travel after arrival at first client and before leaving last client	1.00
- Less time allocated to notes/med records	0.40
- Less down time	0.50
= Equals Direct Care Service Hours; "billable hours"	6.10
Direct Care Adjustment Factor = Work Day Hours/Direct Service Hours (8.00/6.10)	1.31
Hourly Compensation After Adjustment (Hourly Compensation (wages +ERE) \$13.14 x direct care adjustment factor)	\$ 17.24
Mileage	
- Number of miles driven per day	20
- Amount per mile	\$ 0.405
Total Mileage Amount	\$ 8.10
Hourly Mileage Amount (8.10/6.10)	\$ 1.33
Administrative Overhead	
Administrative Pct.	10%
Non-travel cost	\$ 17.24
Administrative Cost (Admin. Pct. X Non-travel Cost)	\$ 1.72
Total Rate (Rate per 1 hour is \$20.29 (17.24 + 1.33 + 1.72))	
- per 15 minute unit (Per Billable Quarter Hour) (20.29/4 rounded)	\$ 5.07
- Annual Compensation at 1,586 Billable Hours (6,344 Units x 5.07)	\$ 32,180.00

¹ Hourly wages from Bureau of Labor Statistics wages inflated to the end of March 2006.

Exhibit 9
Attendant Care Services (S5125)
Rates for Dates of Service Beginning October 1, 2005

	Wage Information
Hourly Wage¹	\$ 10.11
Employment Related Expenses (ERE) as a Percent of Wages	30%
Hourly Compensation (wages + ERE) (10.11 x1.30)	\$ 13.14
Factors Offsetting Direct Care Service Hours	
+ Total hours	8.00
- Less average travel after arrival at first client and before leaving last client	0.20
- Less time allocated to notes/med records	0.15
- Less down time	0.10
= Equals Direct Care Service Hours; "billable hours"	7.55
Direct Care Adjustment Factor = Work Day Hours/Direct Service Hours (8.00/7.55)	1.06
Hourly Compensation After Adjustment (Hourly Compensation (wages +ERE) \$13.14 x direct care adjustment factor)	\$ 13.93
Mileage	
- Number of miles	4
- Amount per mile	\$ 0.405
Total Mileage Amount	\$ 1.62
Hourly Mileage Amount (1.62/7.55)	\$ 0.21
Administrative Overhead	
Administrative Pct.	10%
Non-travel cost	\$ 13.93
Administrative Cost (Admin. Pct. X Non-travel Cost)	\$ 1.39
Total Rate (rate per 1 hour is 15.53 (13.93 + .21 + 1.39))	
- per 15 minute unit Per Billable Quarter Hour) (15.53/4 rounded)	\$ 3.88
- Annual Compensation at 1,963 Billable Hours (7858 Units x 3.88 rounded)	\$ 30,492.00

¹ Hourly wages from Bureau of Labor Statistics wages inflated to the end of March 2006.

Exhibit 10
Personal Care Services (T1019)
Rates for Dates of Service Beginning October 1, 2005

	Wage Information
Hourly Wage¹	\$ 10.67
Employment Related Expenses (ERE) as a Percent of Wages	30%
Hourly Compensation (wages + ERE) (10.67x 1.30)	\$ 13.87
Factors Offsetting Direct Care Service Hours	
+ Total hours	8.00
- Less average travel after arrival at first client and before leaving last client	1.00
- Less time allocated to notes/med records	0.40
- Less down time	0.50
= Equals Direct Care Service Hours; "billable hours"	6.10
Direct Care Adjustment Factor = Work Day Hours/Direct Service Hours (8.00/6.10)	1.31
Hourly Compensation After Adjustment (Hourly Compensation (wages +ERE) \$13.87 x direct care adjustment factor)	\$ 18.19
Mileage	
- Number of miles	20
- Amount per mile	\$ 0.405
Total Mileage Amount	\$ 8.10
Hourly Mileage Amount (8.10/6.10)	\$ 1.33
Administrative Overhead	
Administrative Pct.	10%
Non-travel cost	\$ 18.19
Administrative Cost (Admin. Pct. X Non-travel Cost)	\$ 1.82
Total Rate (rate per 1 hour is 21.34 (18.19 + 1.33 + 1.82))	
- per 15 minute unit Per Billable Quarter Hour) (21.34/4 rounded)	\$ 5.34
- Annual Compensation at 1,586 Billable Hours (6344 Units x 5.34 rounded)	\$ 33,843.00

¹ Hourly wages based on overall 2004 contract year fee-for-service rate inflated forward to contract year 2006.

Exhibit 11
AHCCCS HCBS Fee-for-Service (FFS) Rates

Column A	Column B	Column C	Column D	Column E	Column F
HCPCS Code	Provider Type	Description	Contract Year 2005 FFS Rate	Contract Year 2006 Recommended FFS Rate	Percentage Increase [(E) - (D) / (D)]
S5100	27, 81	Day Care Services, Adult	\$1.90	\$2.02	6.3%
S5101	27, 81	Day Care Services, Adult	\$22.88	\$24.29	6.2%
S5102	27, 81	Day Care Services, Adult	\$45.76	\$48.58	6.2%
S5125	2, 23, 24, 40, 81, 95	Attendant Care	\$3.61	\$3.88	7.5%
S5130	23, 24, 37, 39, 40, 81, 95	Homemaker Services	\$4.79	\$5.07	5.8%
S5150	2, 23, 24, 37, 39, 40, 72, 77, 81, A3	Unskilled Respite Care, not Hospice	\$3.61	\$3.73	3.3%
S5151	2, 23, 24, 37, 39, 40, 72, 77, 81, A3	Unskilled Respite Care, not Hospice	\$173.58	\$188.32	8.5%
S5170	70, 81	Home Delivered Meals	\$7.68	\$7.93	3.3%
S9123	2, 23	Nursing Care in the Home; RN (Intermittent)	\$79.31	\$81.85	3.2%
S9123	46	Nursing Care in the Home; RN (Intermittent)	\$42.18	\$47.18	11.9%
S9123	39, 81, 95	Nursing Care in the Home; RN (Intermittent)	\$66.22	\$68.34	3.2%
S9123-TG	2, 23	Nursing Care in the Home; RN (Continuous)	\$58.50	\$60.37	3.2%
S9123-TG	46	Nursing Care in the Home; RN (Continuous)	\$31.10	\$32.10	3.2%
S9123-TG	39, 81, 95	Nursing Care in the Home; RN (Continuous)	\$48.82	\$50.38	3.2%
S9124	2, 23	Nursing Care in the Home; LPN (Intermittent)	\$60.52	\$62.46	3.2%
S9124	39, 85, 95	Nursing Care in the Home; LPN (Intermittent)	\$51.25	\$52.89	3.2%
S9124-TG	2, 23	Nursing Care in the Home; LPN (Continuous)	\$44.62	\$46.05	3.2%
S9124-TG	46	Nursing Care in the Home; LPN (Continuous)	\$24.43	\$25.21	3.2%
S9124-TG	39, 81, 95	Nursing Care in the Home; LPN (Continuous)	\$37.79	\$39.00	3.2%
T1019	2, 23, 24, 39, 40, 72, 77, 81, 95	Personal Care Services	\$5.17	\$5.34	3.3%
T1021	2, 23	Home Health Aide	\$32.76	\$33.81	3.2%
Weighted average percentage increase based on FFS claim volume					7.0%